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Testimony in Support of
Senate Bill 369 - Return Preparation Assistance Program for Low-Income Families
Senate Budget and Taxation Committee
February 08, 2022

The Rural Maryland Council supports Senate Bill 369 - Income Tax - Return Preparation Assistance Program for Low-Income Families. The bill establishes the Income Tax Return Preparation Assistance Program for Low-Income Families in the Office of the Comptroller and will provide assistance to families who qualify for the Earned Income Tax Credit.

The Earned Income Tax Credit (EITC) is highly beneficial to low-income families by reducing the amount of income tax owed and refunding taxes paid through employment. The EITC is a benefit for working people with low to moderate income. Those who qualify for the federal EITC claim it on their personal income tax return. Maryland offers an additional State EITC equal to 50% of the federal tax credit. Unfortunately, many families do not utilize the earned income tax credit through various reasons but of most concern is unawareness of the tax credit. Outreach to those families who miss the EITC opportunity could lift them out of financial hardship or assist them in a time of great need.

Maryland's rural areas often report higher rates of poverty compared to their urban and suburban counterparts. The poverty rate in Somerset County is currently reported at 22.2% by the US Census Bureau. (<https://www.census.gov/quickfacts/somersetcountymaryland>). Allegany County's poverty rate is 14.7%. (<https://www.census.gov/quickfacts/alleganycountymaryland>). This program will encourage the utilization of the EITC and provide financial benefits to low-income families.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 369.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.

"A Collective Voice for Rural Maryland"